



State Water Resources Control Board



Alan C. Lloyd, Ph.D.
Agency Secretary

Division of Financial Assistance
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Arnold Schwarzenegger
Governor

PROPOSED STATE FISCAL YEAR (SFY) 2005/06
STATE REVOLVING FUND (SRF)
LOAN PROGRAM PRIORITY LIST (LIST)
Thursday, June 1, 2005 – 10:00 a. m.
Joe Serna, Jr. Cal/EPA Building
Coastal Hearing Room – Second Floor
1001 I Street, Sacramento, CA

BACKGROUND

This announcement is to inform interested and affected parties that the State Water Resources Control Board (State Water Board) will consider adoption of the SFY 2005/06 List at its Workshop on June 1, 2005. SRF loan funds can be used for construction of wastewater treatment and water reclamation facilities, correction of non-point source and storm drainage pollution problems, and implementation of estuary enhancement activities. A project must appear on the List to qualify for loan assistance.

The State Water Board suspended processing new SRF applications during SFY 2003/04 due to the limited funds in the SRF account and staffing limitations, and is currently not making new loan commitments except to projects that receive a construction grant commitment from the Small Community Wastewater Grant (SCWG) program. The State Water Board intends to resume processing applications at the earliest date possible because of the importance of the SRF program to its goals. The State Water Board anticipates resuming the program in SFY 2005/06, and is working hard to complete the tasks necessary to resume operation of the program.

The Division of Financial Assistance (Division) has developed the draft SFY 2005/06 List. The draft List may be viewed on our website at http://www.waterboards.ca.gov/cwphome/srf/srf_plist.html. The posted draft List reflects current recommendations from the California Water Boards and State Water Board staff. If you want a paper copy of the draft List please contact the Division at (916) 341-5700.

The fundable portion (first year) of the List contains those projects that have received a preliminary loan commitment and are scheduled for loan assistance during the first year of the five-year planning period. Projects that become ready for construction, but are not on the fundable portion of the List (the remaining four years), are moved to the fundable portion after a preliminary loan commitment is issued.

KEY ISSUES AND RECOMMENDATIONS FOR 2005/06 LIST

ISSUE 1: Should the State Water Board adopt the SFY 2005/06 List?

RECOMMENDATION: Although the SRF program is not currently making new loan commitments, the Division recommends approval of the SFY 2005/06 List. Adopting the List now will document the current need for additional SRF funds and allow the State Water Board to expeditiously resume making loan commitments.

ISSUE 2: Should the State Water Board continue to make the limited SRF funds available to small, financially disadvantaged communities?

RECOMMENDATION: The State Water Board has available approximately \$30 million in grant funds from Propositions 40 and 50 for the Small Communities Wastewater Grant (SCWG) program. When the State Water Board adopted the SFY 2004/05 List, it made the limited funds in the SRF program available for loan commitments to communities that also receive a construction grant commitment from the SCWG program. The intent of the SCWG program is to provide supplementary grants to small, financially disadvantaged communities that would otherwise be unable to afford the debt service on their wastewater infrastructure projects. The State Water Board receives these funds on an irregular basis, and this funding is available for a limited period of time. The Division recommends that the State Water Board continue make the limited funds in the SRF account available to projects that receive a construction grant from the SCWG program.

ISSUE 3: Should the State Water Board adopt with the SFY 2005/06 List a cap on the amount of loan funds that can be disbursed per year to an agency receiving SRF loan funds?

RECOMMENDATION: In past years the State Water Board established the funding cap when it adopted the List. Since this decision is largely based on the estimated funding available for the coming year, the Division recommends that the State Water Board defer this decision until it determines that sufficient funds are available to resume making general commitments.

TO TESTIFY

You may submit written comments and give oral statements. Written comments should be submitted as early as possible to allow for thorough staff analysis. All comments are due by 5:00 p.m. on May 23, 2005, to:

Ms. Debbie Irvin, State Water Board
1001 "I" Street, 24th Floor
Sacramento, CA 95814
FAX: (916) 341-5620
email: dirvin@waterboards.ca.gov

PARKING AND ACCESSIBILITY

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FOLLOW-UP SCHEDULE

1. This issue will be considered for State Water Board adoption at a future Board meeting.
2. Submittal to United States Environmental Protection Agency for approval of the SFY 2005/06 SRF Loan Program Priority List, December 1, 2005.

CONTACT PERSON

Any questions regarding this issue should be directed to Mr. Pontureri at (916) 341-5828 or rpontureri@waterboards.ca.gov. Individuals who require special accommodations are requested to contact Mr. Adrian Perez at (916) 341-5880 or APerez@waterboards.ca.gov prior to the meeting date. TTY users may contact the California Relay service at 800-735-2929 or voice line at 800-735-2922.


Debbie Irvin
Clerk to the Board

Date APR 29 2005